

No. 16,440

IN THE

United States Court of Appeals
For the Ninth Circuit

PATRIARCA MFG., INC., a corporation, DOMENICO
PATRIARCA, an individual, and DONALD A.
CAMERON, an individual,

Appellants,

vs.

MELVIN SOSNICK, MARVIN SOSNICK, and PETER
SOSNICK, a copartnership, doing business as
Melvin Sosnick Co., and MELVIN SOSNICK,
MARVIN SOSNICK and PETER SOSNICK, individ-
uals, and ALFRED AUSTRUY, an individual,

Appellees.

BRIEF FOR APPELLANTS

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BRIEF FOR APPELLANTS

I

**STATEMENT OF THE PLEADINGS
AND JURISDICTION.**

This action was commenced in the United States District Court for the Southern Division of the Northern District of California by the filing of a complaint, later amended (R. 3), alleging that appellees, Melvin Sosnick,

Marvin Sosnick and Peter Sosnick,¹ were infringing Letters Patent No. Des. 168,288 and Letters Patent No. 2,735,739 owned by appellants, Patriarca Mfg., Inc., Domenico Patriarca and Donald A. Cameron.² Appellants also filed a complaint, later amended (R. 8), against appellee, Alfred Austruy,³ charging infringement of the same Letters Patent.

Appellees, Melvin Sosnick, Marvin Sosnick and Peter Sosnick and appellee, Austruy, filed separate answers. (R. 13 and R. 20, respectively.)

The United States District Court had jurisdiction under Title 28, §§1338(a)⁴ and 1400(b).⁵

The District Court (Carter, D. J.) found in favor of the defendant, and entered its Findings of Fact and Conclusions of Law (R. 39) on February 11, 1959 and its Judgment (R. 46) on February 13, 1959.

On March 10, 1959, within thirty (30) days following the entry of the Judgment, plaintiffs filed their notice of Appeal (R. 47) and an Appeal Bond (R. 48).

^{1, 3}Appellees Melvin Sosnick, Marvin Sosnick, Peter Sosnick and Alfred Austruy are hereinafter designated as "defendants".

²Appellants are hereinafter designated as "plaintiffs".

⁴Title 28, § 1338 U.S.C. "(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases."

⁵Title 28, § 1400 U.S.C. "(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business. June 25, 1948, c. 646, 62 Stat. 936."

Jurisdiction of this Court is invoked under Title 28, § 1291 U.S.C.⁶

II

THE PARTIES.

Plaintiff-appellant, Patriarca Mfg. Co., is a corporation of Rhode Island and has its principal place of business in the City of Providence, State of Rhode Island. Plaintiffs-appellants, Domenico Patriarca and Donald A. Cameron, are individuals and residents of the City of Cranston, State of Rhode Island.

Defendants-appellees, Melvin Sosnick, Marvin Sosnick and Peter Sosnick, are individuals, are residents of the City and County of San Francisco, State of California, do business as a co-partnership under the name and style of Melvin Sosnick Company, in the City and County of San Francisco, State of California, and are primarily engaged in distributing and jobbing cigars, cigarettes, candies, and the like. Defendant-appellee, Alfred Austruy, is an individual residing in the City and County of San Francisco, State of California, and does business in the City and County of San Francisco, State of California, including inter alia, the selling of cigars.

⁶Title 28, § 1291 U.S.C. "The courts of appeals shall have jurisdiction of appeals from all final decisions of the district courts of the United States, the District Court for the Territory of Alaska, the United States District Court for the District of the Canal Zone, and the District Court of the Virgin Islands, except where a direct review may be had in the Supreme Court. June 25, 1948, c. 646, 62 Stat. 929."

III

STATEMENT OF THE CASE.

These are suits for infringement of Letters Patent No. Des. 168,288, granted December 2, 1952 to Donald A. Cameron for "Self-service Display Container", and for infringement of Letters Patent No. 2,735,739, granted February 21, 1956 to Domenico Patriarca for "Self-service Display Cabinet".

At the time of the filing of the suits, plaintiff, Donald A. Cameron, owned an undivided one-half interest in the design patent No. Des. 168,288, plaintiff Domenico Patriarca owned an undivided one-half interest in the design patent and complete interest in the mechanical patent No. 2,735,739, and plaintiff, Patriarca Mfg. Inc., a Rhode Island corporation, had an exclusive license to manufacture, use and sell the invention covered in both the design and mechanical patents.

Defendants Sosnick, who are primarily engaged in distributing and jobbing cigars, cigarettes, candies and the like, sold the accused cigar showcase to defendant Austruy who then used the showcase in displaying and selling cigars.

Upon learning of this sale and use, plaintiffs filed separate complaints, one against the defendants Sosnick and one against defendant Austruy, charging plaintiffs' design and mechanical patents to be infringed by defendants' activities. The two suits were consolidated for trial.

The trial Court held both the design patent No. Des. 168,288 and the mechanical patent No. 2,735,739 to be invalid. No determination was made as to whether defendants' activities infringed either patent.

The holdings and findings of the trial Court concerning the design patent No. Des. 168,288 are now appealed.

In brief, the questions for determination here are:

- (1) Is the design patent valid?
- (2) Is the design patent infringed by defendants?

IV

SPECIFICATION OF ERRORS.

The following errors are specified as those which will be urged in support of this appeal:

1. The District Court erred in holding that Design Letters Patent No. Des. 168,288 is lacking in invention.

2. The District Court erred in not holding Design Letters Patent No. Des. 168,288 valid.

3. The District Court erred in disregarding the effect of commercial success on the validity of Design Letters Patent No. Des. 168,288.

4. The District Court erred in not finding that the commercial success of plaintiffs' showcase embodying the design of Letters Patent No. Des. 168,288 was due substantially, if not entirely, to the patented design of the showcase.

5. The District Court erred in disregarding the emphasis of validity of Letters Patent No. Des. 168,288 which arises from the extensive copying of the design thereof by competitors.

6. The District Court erred in disregarding the emphasis of validity of Letters Patent No. Des. 168,288 which

arises from the slavish copying of the design thereof by the defendants.

7. The District Court erred in holding that the Royal showcase is the same in appearance as the showcase design disclosed in Design Letters Patent No. Des. 168,288.

8. The District Court erred in not holding that the showcases sold and used by appellees herein were infringements of Design Letters Patent No. Des. 168,288.

V

SUMMARY OF ARGUMENT.

1. Commercial success is the most important and reliable objective measurement of invention in the present design patent.

2. Plaintiffs' showcase was clearly commercially successful. The evidence further shows that the commercial success of plaintiffs' showcase was due almost entirely to the effect of its design rather than to the mechanical efficiency thereof, and the Court was clearly in error in not so finding. The commercial success attributable to the design of plaintiffs' showcase clearly emphasizes the validity of the patent in suit.

3. The widespread copying by others of the design of plaintiffs' showcase, together with their acquiescence in the patent by accepting license agreements thereunder, further emphasize the validity of the patent.

4. The copying of the details of plaintiffs' showcase, down to the fraction of the inch, into the accused show-

case sold and used by defendants is a clear showing of their recognition of plaintiffs' invention. Such precise copying also shows that defendants were afraid to risk losing any of the visual effects of the size, proportion or harmony of the inventive design of plaintiffs' showcase by making any variations at all therefrom.

5. Plaintiffs' showcase differs in appearance from the prior art showcases, and it is beyond the ordinary skill of a showcase designer to assemble the individual details of prior art showcases into the well-proportioned and harmoniously arranged showcase covered by plaintiffs' patent.

6. The slavish copying of plaintiffs' showcase which was sold and used by defendants constitutes an obvious infringement of plaintiffs' patent rights, which the Court should have found.

VI

ARGUMENT.

1. COMMERCIAL SUCCESS IS THE MOST IMPORTANT AND RELIABLE OBJECTIVE TEST OF INVENTION IN THE PRESENT DESIGN PATENT.

The basic requirement for the validity of a patent is that there be "invention" present. In this regard, design patents stand on the same footing as utility, or mechanical, patents. A design, in order to support a valid patent, must possess that indefinite element of invention in precisely the same manner that a mechanical device must display invention before the inventor is entitled to patent protection.

In any decision as to whether a mechanic or designer is to be awarded a patent for his efforts, the quality of the invention must be considered. The same is true in a later reappraisal of the validity of a patent. The quality of the invention must again be examined to see if the initial patent grant was correct.

In order to remove the question of invention from a purely subjective consideration, the objective features of an invention should be examined. In mechanical inventions, the performance of the device can always be measured and can be compared concretely with the performance of prior art devices. Measurements of efficiency may be made. Speeds, weights, tensions can be measured and compared. Dollar savings in production costs can be computed or estimated with fair precision.

Thus, with mechanical devices, measurable comparisons of the old with the new can serve as guides in deciding whether the new device is patentably inventive. With such guides it becomes easier to decide if improved results are a consequence of invention or of routineering. As an example, suppose a water tank is invented which is 25 percent more effective against leakage than any previous tanks. Such an increase in water-tightness could well indicate invention if only old elements were used in building the tank with the water-tightness resulting from a particular way of combining these elements. Then again, suppose instead that a new plastic lining had been used in place of the normal tank lining and that the new plastic lining itself was 25 percent more impervious to leakage than before. These measurements would then indicate that there is no inventive improvement in the tank, but that instead, the improvement lay in the lining.

Thus, measurements of the physical characteristics of a device can be very useful in determining whether a device embodies mechanical invention or not. On the other hand, when we wish to consider the quality of the artistic design of the device, these measurements become meaningless. The output-to-input efficiency is independent of the artistic features of the device. The design cannot be weighed, and the temperature of the design is completely irrelevant. However, this does not mean that there are no guides at all to be used. Rather, there is a very important objective consideration in examining the merits of any design.

Briefly put, all designs are created for a definite purpose. The degree of achievement of this purpose is a measure of the effectiveness of the design, and is a measure of the "invention" of the design. For example, a painting is designed to draw attention to itself, and the effectiveness of a painting can generally be determined by the way in which it holds the viewer's attention. Among many paintings hanging side by side, the effective paintings will attract the viewers away from the ineffective. Such results are easy to measure.

Then again, the designer's skill may be used in the field of packaging. Here the primary purpose is to create a desire in the public to buy the packaged article. An attractive container placed alongside a common uninspired package will sell itself time after time, even though the contents are precisely the same. In this field, the degree of achievement can be easily measured by the commercial success of the item. Indeed, this is the only way in which the public response can be ascertained, short of an ex-

haustive poll wherein each person is asked his opinion of the effectiveness or inventiveness of the new design.

Coming to the present case, plaintiffs' showcase was created for only one purpose—to sell cigars. To accomplish this, the showcase must first attract the buyer to look at the display of cigars in the case and must then present such a pleasing picture that the customer wants to buy a cigar.

The degree of effectiveness of plaintiffs' showcase can be measured. This effectiveness is measured by its ability to sell cigars. This is the purpose intended by its inventor and this is what it does.

Evidence as to commercial success is not merely a makeweight in determining whether a design patent is valid or not. Instead, such evidence is the only objective way in which the effectiveness of the design of a commercial device can be measured. If commercial success is set off to one side, then no objective way at all remains in which the inventive quality of a showcase design can be determined.

This Court has recognized the value of commercial success in the consideration of validity of design patents. For example, in *Robert W. Brown & Co., Inc. v. De Bell*, CA-9, 243 F.2d 200 (1957), this Court stated:

“Commercial success is of great importance in determining the validity of a design patent. *Glen Raven Knitting Mills, Inc. v. Sanson Hosiery Mills, Inc.*, 4 Cir., 189 F.2d 845. This is so because the objective of most such designs is to enhance saleable value. The realization of this objective shows that the design must have been sufficiently novel and superior to attract attention.”

The same consideration of commercial success is found in other circuits. In a Seventh Circuit case, *Standard Match Corp. v. Bell Mach. Co.*, 83 F.2d 365 (1936), the Court said:

“... Whether a design which is novel and ornamental is entitled to coverage by a design patent depends to a large degree upon the reception which those for whom it is made, accord it. If pleasing to the eye and acceptable to the trade as evidenced by extensive sale, we would naturally be inclined to uphold it. In so doing we are not delegating judicial powers to others, but rather applying *a test of patentability*. In short, we are answering the question—Is the design so unique and winning in appearance as to entitle its originator to recognition as an inventor?” (Emphasis added.)

The Trial Court erred in disregarding the commercial success of plaintiffs' showcase. The Trial Court correctly stated the rule at R. 37 as follows:

“It is also true that in considering the validity of a design patent, evidence of commercial acceptance of the design, is relevant to the issue of invention:

‘Whether a design which is novel and ornamental is entitled to coverage by a design patent depends to a large degree upon the reception which those for whom it is made, accord it.’

Battery Patents Corp. v. Coe, 93 F.2d 220, 226, . . . (D.C. Cir. 1937), quoting from *Standard Match Corp. v. Bell Mach. Co.*, 83 F.2d 365, 367, . . . (7 Cir. 1936).”

The Trial Court then went on to conclude that such commercial success is of use only when the question of validity is a close one. In support of this view, the Court

relied upon *Pointer v. Six Wheel Corp.*, 177 F.2d 153 (CA-9, 1949), *Application of Lange*, 228 F.2d 245 (C.C. P.A., 1955) and *Jungersen v. Ostby & Barton Co.*, 335 U.S. 560. All of these cases deal with mechanical patents. None involves a design patent. The *Six Wheel* case concerns a six-wheel attachment for motor vehicles, the *Lange* case involves a mechanical patent for a cut flower holder, and the *Jungersen* case deals with a method for casting by the lost wax process.

It is submitted that the Trial Court erred in applying the usual rule of utility patents regarding the value of commercial success to the present situation involving a design patent. Instead of dismissing the evidence of commercial success as a mere makeweight, the Trial Court should have considered this evidence of prime importance in determining the validity of plaintiffs' design patent. By doing so, the Court below would have then followed the law as expressed by this Court in the *De Bell* case and by the Seventh Circuit in the *Standard Match* case.

2. THE COMMERCIAL SUCCESS OF PLAINTIFFS' SHOWCASE IS DUE ALMOST ENTIRELY TO THE EFFECT OF THE DESIGN THEREOF.

The Trial Court found commercial success of plaintiffs' showcase to be clearly established, which finding is of course clearly borne out by the evidence. Marcus Glaser, a leading West Coast cigar distributor, testified that cigar sales by retailers increased an average of 51 percent upon use of plaintiffs' showcase. (R. 99.) Indeed, Mr. Glaser testified that he offered to give the showcase with-

out charge to a cigar retailer if his cigar sales did not increase 30 percent by its use. (R. 99.)

The Trial Court erred, however, in holding that plaintiffs did not demonstrate to what extent the commercial success was due to the design itself and how much was due to mechanical efficiency or other factors.

It is true that plaintiffs have not shown a fixed percentage of the commercial success to be due to the inventive design, with the remainder being due to the mechanical efficiency or to other factors. Indeed, it would be impossible to say that a certain exact percent of the commercial success is due to the design aspects of the showcase, and a certain exact percent is due to the mechanical features.

However, plaintiffs submit that the inference to be drawn from all of the testimony is that the commercial success of plaintiffs' showcase is due substantially, if not entirely, to the design features of the showcase, and that the Trial Court was clearly mistaken in not so holding.

The present Court in *Joseph v. Donover Company*, 261 F.2d 812 (CA-9, 1958), at page 824, stated:

“We fully agree with and follow the Supreme Court case cited and quoted by appellant, *United States v. United States Gypsum Co.*, 1948, 333 U.S. 364, 395, 68 S.Ct. 525, 542, 92 L.Ed. 746, that:

‘A finding is “clearly erroneous” when although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed.’ ”

Mr. Glaser (whom the Trial Court recognized as “an expert in the field of cigar showcases”) testified at R. 100-102 as to the nature of cigar showcases and the pur-

chasing public. In stressing the necessity for the proper display of cigars, Mr. Glaser pointed out that "most of cigar sales are what you call point of sale purchases". That is, most of the cigar sales to the public are spur of the moment, spontaneous purchases.

If the showcase does not have the attractiveness to make a man want to buy, no sale will be made. As a corollary, if the showcase is designed so that it displays its contents more attractively and effectively, sales will increase.

The record is replete with testimony that the overall appearance of plaintiffs' cabinet was of paramount importance in attracting and creating customers. Particularly was this true regarding the initial impact of plaintiffs' overall design.

Mr. Patriarca testified as follows as to the initial reaction of a member of the Cigar Institute of America:

"The Cigar Institute of America directed Mr. Gene Raymond to fly from New York to Boston to take a look at the cabinet or the cigar humidor. As soon as he saw it he went wild. He was raving and full of compliments. He told me that they were having a convention, a cigar manufacturers convention in Atlantic City the following month or thereabout within a couple of weeks from the time we had this discussion, and he begged me to bring one cabinet to Atlantic City so that he could show it to cigar manufacturers. . . ." (R. 58.)

Mr. Glaser attended this convention and testified as follows:

"I was in the tobacco convention at Atlantic City, and in walking through some of the exhibits I came across this particular cabinet. To me it represented

the acme in cigar display and distribution, ability to keep the cigars moving, the cure-all—it was a cure-all for the cigar business, as I saw it, from the standpoint of consumer display and sales. . . .”

Other excerpts of Mr. Glaser’s testimony are as follows:

“When a man walks up to this case, you are now looking at 40 boxes of cigars in one shot. This gives him an adequacy of looking at what he wants to buy, and gives him his choice of sizes and shapes. It also gives him the feeling that this is not a junky piece of furniture lying there. A man can walk straight across to this counter, pull open that door, and he has a fresh cigar.” (R. 116-117.)

* * * * *

“There is nothing specific about the case except the over-all structure of it, the over-all feel of it, the over-all tone of it. Everything about it is good, and this is the first time this was conceived.” (R. 117.)

* * * * *

“. . . We know the over-all contour of this case, the look of it. Look yourself. Look, that is what a cigar case used to be. This is what a cigar case is. Look yourself, look at the over-all picture of this case. This is a creation.” (R. 119.)

* * * * *

“Yes. By the looks of the case, by the steps, by the cut of it, by the jib of it, by the doors, by its construction, by the way it is handled, by the way it looks in a man’s store, and by the fact that it is a beautiful piece of furniture, . . .” (R. 119.)

All of this enthusiasm of Mr. Glaser for the design of plaintiffs’ showcase does not arise due to any financial

return to Mr. Glaser through the distribution of the showcase, but instead arises because of the showcase's ability to sell his cigars.

This testimony points out clearly that the design, appearance and attractiveness of the patented showcase are the primary factors that induced customers to step up, inspect and buy cigars.

The Trial Court found that there was nothing mechanically new in plaintiffs' showcase. Specifically, the Court noted that plaintiffs' showcase comprises the following elements: a base, side walls, a rear wall, a top, a lower front wall, an upper front opening, sliding glass doors for the upper front opening, a series of support steps inside the showcase, and a humidifier. Specifically, the Court found that all of these elements were anticipated by the prior art.

In view of the finding, it becomes impossible to see how the Trial Court could attribute commercial success to the mechanical construction of plaintiffs' showcase. The commercial success instead arises from the particular manner in which these old elements were put together. That is, the particular design of these old elements is what creates the proven appeal of plaintiffs' cabinet.

Obviously, the Trial Court is mistaken in finding that plaintiffs' showcase is comprised of all old elements without then finding that the commercial success of the showcase must be due to the design of these old elements as assembled into a single unit.

Much testimony was also given as to the necessity for humidifying cigars in order to maintain cigars at a proper

freshness, and as to the humidifying aspects of plaintiffs' showcase.

It may be that the Trial Court had this testimony in mind when it said that plaintiffs have not divided the commercial success between the design and mechanical features of their showcase. If so, the Trial Court was mistaken.

First of all, humidifying a cigar showcase is not a new idea, as expressly found by the Trial Court. It follows, then, that plaintiffs' proven commercial success cannot be due to this old mechanical expedient.

Secondly, even if the idea of humidifying a cigar showcase were new, this would not cause a customer to be initially attracted to the cigars displayed in plaintiffs' showcase, for the humidifier is hidden from view. As stated by Mr. Patriarca:

“Q. (By Mr. Mellin). And that also concealed the humidifier?

A. That is right.” (R. 67.)

Testimony was also given as to the amount of money spent on advertising plaintiffs' showcase. (R. 60.) However, such advertising is completely irrelevant in regard to the effectiveness of plaintiffs' showcase in selling cigars. The advertising was directed to cigar distributors, wholesale and retail, and was not directed to the public. No attempts were made in advertising to induce the public to buy cigars from plaintiffs' showcases. Instead, such inducement came about strictly because of the effective design of plaintiffs' showcase.

By the same token, there was testimony as to the increase in advertising of cigars in general. (R. 109-110.) Again, such evidence cannot explain in any way why there should be a sudden sharp rise in sales of cigars from plaintiffs' showcases when installed.

Indicative of the ability of plaintiffs' showcase to increase the sale of cigars are the results tabulated in plaintiffs' Exhibit 17. (R. 219.) Thirty-six of plaintiffs' showcases were installed in different West Coast cities, from Los Angeles to Seattle, and accurate records were made of sales for 90 days before and 90 days after installation of each unit. In the 90 days before each installation, the total value of cigars sold was \$11,108. *After installation, sales went up in every instance.* In the 90 days following installation, total sales rose to \$16,844—an increase of over 50 percent.

From the record, the testimony shows clearly that the success of plaintiffs' cigar showcases in attracting customers and inducing them to buy cigars was due almost entirely to the inventive design and arrangement of plaintiffs' showcase. The Trial Court was clearly mistaken in not so holding.

The commercial success, which is so clearly attributable to the design of plaintiffs' showcase, should have been considered by the Trial Court as a positive indication of the validity of the design patent.

3. THE WIDESPREAD COPYING OF PLAINTIFFS' DESIGN BY COMPETITORS FURTHER EMPHASIZES THE VALIDITY OF THE DESIGN PATENT.

As recognized by this Court, slavish copying of a design by competitors indicates the validity of a design patent. In *Robert W. Brown & Co. v. De Bell, supra*, this Court stated:

“... The fact that the Bessolo design was widely copied by competitors is another indication that it was deemed a novel and superior design.”

In the present case, plaintiffs introduced as evidence (Plaintiffs' Exhibit 12, reproduced at R. 213) the following list of competitors prominent in the showcase field who attempted to duplicate plaintiffs' patented showcase. This exhibit further listed the response of these competitors to a notification by plaintiffs of patent infringement:

1. McKesson Robbins, N. Y., N. Y. (Stopped infringement and now sell Patriarca Humidor.)
2. Bowman Corp., Grand Rapids, Michigan. (Stopped infringement and now sell Patriarca Humidor.)
3. Wilkinson Co., Providence, R. I. (Stopped infringement and now sell Patriarca Humidor.)
4. United Fixtures, Providence, R. I. (Stopped infringement and now sell Patriarca Humidor.)
5. Modern Store Fixtures, Providence, R. I. (Stopped infringement and now sell Patriarca Humidor.)
6. H. E. Shore Company (Stopped infringement—subsidiary company at New Haven sell Patriarca Humidor.)
7. Bernheim-Siegel Store Fixture Co., Philadelphia, Penna. (Stopped infringement.)

8. Royal Showcase Co., San Francisco, California.
(Changed design.)

9. The Press & Union League Club, San Francisco, California. (Stopped infringement.)

10. Rubenfeld Showcase Co. (Advised changing design.)

11. Melvin Sosnick Co., San Francisco, California.
(Sued.)

12. Benedettis (Alfred Austruy), San Francisco, California. (Sued.)

13. Stan-Lee Cigar Store, San Francisco, California.

14. Broadmoor Liquor Store, San Francisco, California.

15. Terminal Drugs, San Francisco, California.

16. Don Minton, San Francisco, California.

17. American Showcase Co., Los Angeles, California.

18. Oakland Distributing Co.

19. East Bay Candy Co.

At the time of the filing of the complaints in the present suit, the concerns listed at 13-19 above had not been notified of infringement.

It is, of course, recognized that this evidence does not in itself establish the validity of the patent in question. However, it is submitted that the acceptance of plaintiffs' showcase design by the industry, the slavish copying thereof and then their acquiescence in plaintiffs' patent rights further emphasizes the validity of the patent. Like-

wise, this further emphasizes the clear error of the Trial Court in holding plaintiffs' design patent invalid.

In a recent case, *Aghnides v. S. H. Kress & Co.*, 140 F. Supp. 582 (D.C. N.C., 1956), the Court stated at page 584:

"It is difficult to ignore the valuation placed on the device in the commercial world. Business concerns are quick to discover and to acquire the rights to use gadgets and devices which give promise of commercial success. . . ."

A leading case on this point is *Coltman v. Colgate-Palmolive-Peet Co.*, 104 F.2d 508 (CCA-7, 1939). In this case the Court had the following to say:

"It must be conceded, however, that evidence of immediate, wide, and extensive use following the appearance of a patent may furnish invaluable evidence in cases which would otherwise be doubtful, and may well be described as more convincing and persuasive with courts than any other evidence save recognition by the trade and the payment of substantial royalties for a license to use the new patented discovery. Recognition by the trade is the best and most persuasive evidence that can be offered. The tribute of those engaged in the industries affected, especially when the tribute is evidenced by the payment of substantial royalties, is by far the most persuasive and unimpeachable evidence that can be offered to support the asserted validity of patent claims in litigation. . . ."

Referring specifically to design patents, the Court in *Vacheron & Constantin-Le Countre Watches, Inc. v. Benrus Watch Company, Inc.*, 155 F.Supp. 932 (D.C.N.Y., 1957), said:

“... While immediate imitation is not proof of invention, some weight must be given to the fact that as soon as plaintiff's watch was put on the market it was followed by the outbreak of a rash of similar products, each of which created the same impression of a piece of glittering jewelry from which, with a little application, one could ascertain the time of day and which yet did not have the appearance of the conventional wrist watch. I hold plaintiff's design patent valid.”

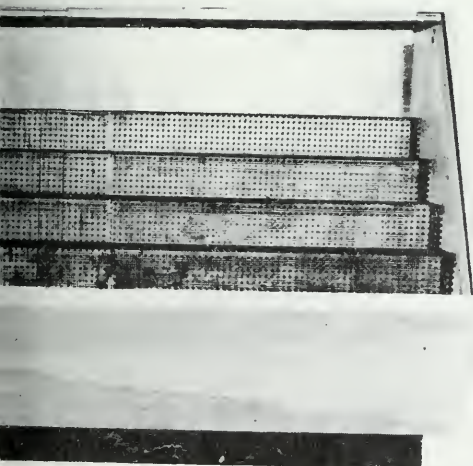
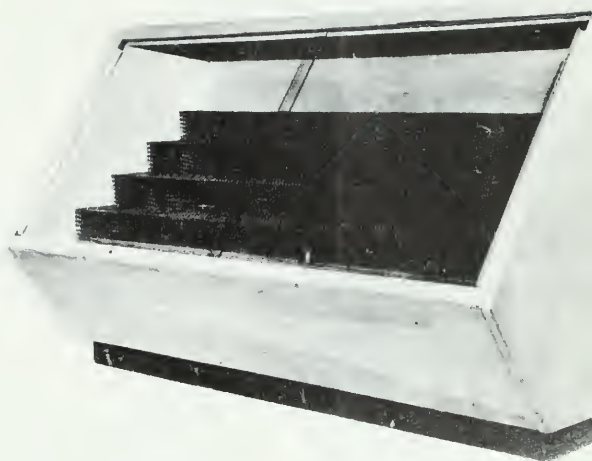
4. DEFENDANTS' COPYING OF THE DESIGN OF PLAINTIFFS' PATENT EMPHASIZES THE VALIDITY THEREOF.

In discussing this point, attention is invited to the illustrations opposite to this page, showing the three views of plaintiffs' design patent in suit, and the corresponding views of defendants' accused showcase. (Plaintiffs' Exhibit 10.)

The almost exact similarity of the accused showcase to the design patent drawings, indeed, the direct copying of plaintiffs' patent, is immediately apparent from these illustrations.

In addition, Mr. Patriarca testified as to the similarities of the accused showcase to a cabinet of plaintiffs' manufacture (Plaintiffs' Exhibit 5) which was constructed in accordance with the invention. This uncontroverted testimony graphically brought out defendants' copying as follows:

“Q. With respect to this accused humidor, Exhibit 10, will you state the differences, if any, and the similarities, if any, between it and the humidor



ACCUSED SHOWCASE

PUBLISHED BY THE

AMERICAN



disclosed in Exhibit 2, the design patent, as far as external appearances are concerned?

A. I would say it is the same.

Q. Would you say it is identical or different in any respect?

A. I would say that every line, touch and twist, the thing is exactly the same.” (R. 64.)

* * * * *

“Q. Well, did you measure the cabinet with respect to one of your commercial cabinets?

A. Yes, I would say that it's close to a fraction of an inch.

Q. In other words, it is right to the fraction of an inch?

A. Yes.

Q. In length, width and height?

A. Yes.” (R. 65.)

* * * * *

“Q. Are there any other differences in structural features, I mean of any importance?

A. No, I would not say so. I think the cabinet—they couldn't make them closer if they tried.

Q. In view of the fact that you measured the two and found their dimensions to be the same within fractions of an inch and their construction, and bear in mind also the fact that they do not elevate their humidor as high as it is shown elevated in the patent in suit, in your opinion as a cabinet-maker would you say one was a copy from the other?

A. Definitely.” (R. 65-66.)

Defendants attempted to justify their copying by throwing up a cloud of prior art showcases, with the assertion that this prior art negatives any invention in plaintiffs' particular design.

Originally, defendants listed 37 different prior art showcases (32 United States patents, two foreign patents, one publication and two prior uses and sales) in their answers. This prior art was then weeded down to the nine cases discussed at the trial by Mr. Lippincot, defendants' expert witness. The gist of his testimony was that all of the details of plaintiffs' patented design were old and consequently the patent should be considered invalid.

Of these 37 prior art patents, publications and uses, only two showcases were protected by unexpired design patents. Thus, 35 prior art structures were fully available to defendants for their use. However, instead of using any one of these available showcases, defendants found it necessary to copy the patented design of plaintiffs' showcase, down to a fraction of an inch. The only excuse offered by them is to the effect that plaintiffs should not be entitled to the fruits of their labor.

The weakness of this position has been exposed before, as in the following excerpt from *Anderson Company v. Sears Roebuck & Co.*, 165 F.Supp. 611, 623 (D.C. Ill., 1958):

“The defendants give the prior art the tribute of their praise but they give the patent in suit the tribute of their imitation. Defendants' contention that the prior art devices would serve just as well as the patent in suit is refuted by the fact that they do not use any of these prior art devices, but instead manufacture and sell substantially a Chinese copy of the patented devices. Rubber Tire Case [*Diamond Rubber Company of New York v. Consolidated Rubber Tire Company*], 220 U.S. 428, 31 S.Ct. 444, 55 L.Ed. 527.”

In testifying, Mr. Lippincot was asked whether he would consider it obvious to modify the Royal showcase (Defendants' Exhibit A) in view of the showcases in various patents (Defendants' Exhibits N, O, P, Q, R, and S), and Mr. Lippincot stated that the modification would be obvious. There was no testimony that either Mr. Lippincot or the defendants had ever seen these prior art patents before the institution of the present suit.

This hindsight of defendants has also been condemned by the Courts. As for example, in *Alford Cartons v. Gordon Cartons, Inc. et al.*, 121 F.Supp. 363, 368-9 (D.C. Md., 1954), the Court stated:

"... Furthermore, this is not a case of an infringer who, prior to having seen a plaintiff's patent, has pieced together what the prior art has disclosed in various patents. But it is a case of an infringer who has done this piecing together only after he has seen the patentee's invention as disclosed by the patent. The imitation by another who denies invention of a patented device is strong evidence of what the imitator himself thinks of the patented device, and of what should be thought of it generally. See *Kurtz v. Bell Hat Lining Co.*, 2 Cir., 280 F. 277; *Black & Decker Mfg. Co. v. Baltimore Truck Tire Service Corp.*, 4 Cir., 40 F.2d 910; *Ackermans v. General Motors Corp.*, 4 Cir., 202 F.2d 642; *Enterprise Mfg. Co. v. Shakespeare Co.*, 6 Cir., 141 F.2d 916."

Contrary to what they now say, defendants' actions show clearly that they considered plaintiffs' showcase to be a great advance. Otherwise, why would they deliberately select and copy plaintiffs' patented design over all of the prior art showcases freely available to them?

Moreover, plaintiffs' showcase has been copied to the fraction of an inch "in length, width and height". What reason could defendants have for such slavish copying other than a fear that any variation from plaintiffs' design might lose the impact obtained from the sight of plaintiffs' harmoniously designed cabinet?

Plaintiffs submit that the sincere flattery of defendants' imitation is further convincing evidence of the validity of the design patent in suit, and further emphasizes the error of the Trial Court's holding of invalidity.

5. THE PATENTED DESIGN OF PLAINTIFFS' SHOWCASE DIFFERS FROM THE PRIOR ART SHOWCASES AND IS BEYOND THE SKILL OF AN ORDINARY DESIGNER IN THE ART.

The Trial Court held that the differences between the designs of plaintiffs' showcase and the prior art showcases, such as the Royal showcase, were within the ability of the ordinary designer in the field of display showcases.

This holding is clearly erroneous, and plaintiffs submit that this Court should rectify this error.

The designs of plaintiffs' patented showcase and the Royal showcase are undisputed and are obvious from an inspection of the illustrations on the opposite page. As such, this Court stands in as good a position as the Trial Court to compare these designs and to determine whether or not invention is present.

In *Pacific Portland Cement Co. v. Food Mach. & Chem. Corp.*, 178 F.2d 541, 548 (CA-9, 1949), this Court said:

D. A. CAMERON
SELF-SERVICE DISPLAY CONTAINER

Filed May 7, 1952

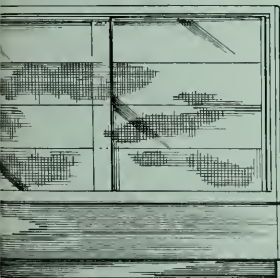
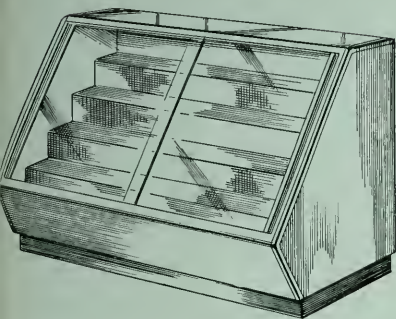
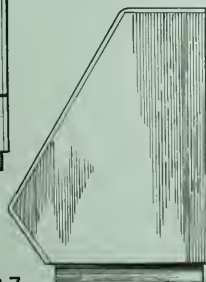


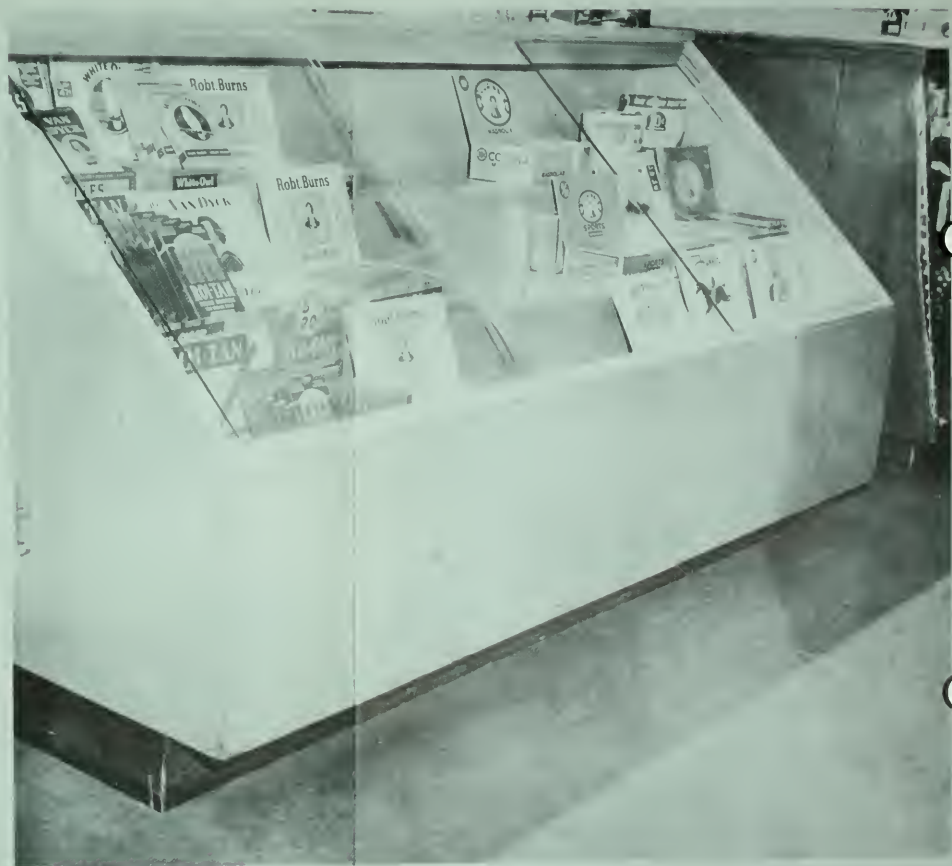
FIG. 3



INVENTOR.

BY *Donald A. Cameron*
Nathaniel L. Smith

Des. 168,288



THE ROYAL SHOWCASE.
DEFENDANTS' EXHIBIT K.

“As a corollary to this rule, we may make our own inferences from undisputed facts or purely documentary evidence. For, to use the colorful language of the Court of Appeals for the Third Circuit, the rule does not operate ‘to entrench with like finality the inferences or conclusions drawn by the trial court from its fact findings.’ *Kuhn v. Princess Lida of Thurn & Taxis*, 3 Cir., 1941, 119 F.2d 704, 705. And see *Western Union Tel. Co. v. Bromberg*, 9 Cir., 1944, 143 F.2d 288, 290; *Home Indemnity Co. v. Standard Accident Ins. Co.*, 9 Cir., 1948, 167 F.2d 919, 922, 923.”

The Trial Court decided that plaintiffs’ showcase and the Royal showcase give the same impression to an observer. In the sense that both showcases are formed from the same general elements, namely, a top, two side walls, upwardly and rearwardly inclined glass doors, a lower front panel and shelves inside visible through the glass, this is true.

For that matter, many of the prior art patents cited by defendants also disclose the same general combination of these same old showcase elements.

Plaintiffs’ position is not based on any contention that a new combination of elements has been assembled but rather that they have invented a new design by arranging and shaping an old combination of elements so as to give a new and highly pleasing appearance to the visual sense. For this invention, design patent No. Des. 168,288 was issued to plaintiffs.

The test of validity is not whether the combination of mechanical elements is old, but rather it lies in whether the particular way in which the elements are formed,

grouped and assembled is inventive. In this regard, the Court in *Sel-O-Rak Corp. v. Henry Hanger & Display Fixture Corp. of America*, 232 F.2d 176, 178 (CA-5, 1956), said:

“In our consideration of the basic question as to the validity of the patent, we start with the knowledge that every design must of necessity embody something old and known. *Design being only a rearrangement of line and form, it must always depend upon elements that in a strict sense are old.* We are not impressed therefore, with appellees’ attack on the design patent here on the ground that it combined known components. The straight line, the square, the circle, the cube, triangle and sphere are all known components. They are all old. But any design patent, it seems to us, must, of necessity, combine some of these elements. . . .” (Emphasis added.)

Plaintiffs contend that merely because their showcase and the Royal showcase both have slanted fronts, plaintiffs have not invented anything. Instead, plaintiffs submit that their showcase is uniquely different and is an inventive departure from the Royal showcase. Defendants have argued that the two are substantially the same and that the difference between the vertical lower front panel of the Royal case and the rearwardly and downwardly inclined lower front panel of plaintiffs’ case be disregarded. Of course, it is understandable that defendants want to overlook this distinction since they want to advance the view that the two are the same. Parenthetically, if defendants thought there was no difference, why were such pains taken to have their showcase constructed precisely like the patent drawings rather than use a Royal case?

Defendants, in attempting to gloss over the differences, overlook the vital changes and artistic invention that can result from apparently minor physical changes in lines or rearrangements of physical elements. A perfect example is the human face. Mechanically speaking, a face is only two eyes, two ears, a nose and a mouth set on a head covered with skin and hair, and all create the same general visual impression. However, there are astonishing variations in specific visual effect created by differences in proportions and lines of these individual elements. Following defendants' view, one face conveys to an observer the same impression as does any other face. This is, of course, refuted by the ease in which we can distinguish different people by their features, or in which we can distinguish different emotions of a single person by his varying facial expressions.

Plaintiffs do not say that their showcase is the definitive conception of a perfect showcase or that it is impossible to even invent another case. Plaintiffs do contend, however, that their design does involve invention, and specifically is a definite and inventive departure from the prior art as exemplified by the Royal showcase.

The most obvious physical distinction between plaintiffs' and the Royal showcases is fully apparent from the pictures thereof opposite to page 26. In the Royal showcase the glass doors slope down to the front. From there, the imperforate lower front panel extends vertically straight down to the floor. As a customer approaches the Royal case, this lower front panel is in prominent view and is the part of the case closest to the customer.

In plaintiffs' case, the lower front panel also extends downwardly from the bottom of the sloping glass doors, but instead slopes backwardly, away from the customer. In attempting to analyze the effect of this specific feature, Mr. Patriarca testified as follows:

“A. Well, it has quite a few advantages. The first, it improves the symmetry, the balance, and does subdue the woodwork and bring out the display of merchandise.” (R. 86.)

The effects of the two showcases are much better visualized when we consider the appearances of the two cases to a customer, as seen from the height of the customer's eyes. When viewed from above the level of the glass doors, plaintiffs' rearwardly sloping lower front wall tends to disappear. This leaves the contents of the case suspended out towards the customer, offering themselves to him. In the Royal case, the vertical lower front wall remains in view to the customer, imposing itself on the customer's consciousness and diverting his attention from the cigar display in the case. Described in another way, the lower front wall of the Royal cabinet sets up a barrier to sales, while plaintiffs' wall invites the customer to buy. This difference helps cause plaintiffs' case to be the effective one when the sales abilities of the cases are compared.

Of course, viewed after the controversy has arisen, it is easy to try to pick out the details and minimize the effect of each. Consider instead the exuberant reaction of Mr. Glaser to seeing plaintiffs' cabinet for the first time—long prior to this suit:

“I was in the tobacco convention at Atlantic City, and in walking through some of the exhibits I came across this particular cabinet. To me it represented the acme in cigar display and distribution, ability to keep the cigars moving, the cure-all—it was a cure-all for the cigar business, as I saw it, from the standpoint of consumer display and sales. . . .” (R. 96-97.)

As is, of course, apparent from the pictures of plaintiffs’ and the Royal showcases, they are not alike. To cure the deficiency of the prior art Royal showcase, defendants submitted several patents showing downwardly and rearwardly sloping lower front panels. (Defendants’ Exhibits N-S.) Defendants’ expert witness, Mr. Lippincot, was then asked the following question concerning the Royal showcase (Defendants’ Exhibit A):

“Q. (By Mr. Gregg). In view of the state of the art as shown by the patents as to which you have testified, Defendants’ Exhibits N, O, P, Q, R and S, would there be anything unobvious in providing a self-service cigar showcase having the general features shown in Defendants’ Exhibit A and modifying that so as to incline the lower front wall?

A. Not in my opinion. . . .” (R. 178.)

It should be noted that Mr. Lippincot had never been involved in the showcase art prior to this suit, except incidentally in connection with x-ray and radio cabinets when he was associated with the Magnavox Corporation. (R. 169.) Indeed, he testified:

“I not only was never in the retail business where they sold cigars, but I do not even smoke cigars.” (R. 188.)

The obviousness of combining references, as now testified to here, has been commented upon by the courts. In the *Sel-O-Rak* case, *supra*, the Court said at page 179:

“ ‘The defendants may well be regarded as experts in the art, and their conduct was an unbiased and emphatic expression of judgment in favor of the patent; *their present expression and that of their experts are probably entitled to less weight.*’ ” (Emphasis added.)

On the other hand, the unobviousness of plaintiffs' contribution was remarked upon by Mr. Glaser, who has been in the cigar business since 1917 and who was found to be an expert in the field of cigar showcase design by the Trial Court. He testified as follows:

“ . . . When I saw this case I decided that it had everything that was asked for. I had tried to sell—I built cases before. I have gone to special shops and ordered cases for dealers, had them built, I talked to display men and tried to fool around with the cases to see what could be done, but none of the cases answered exactly the problem of this industry, and when I saw this Patriarca case I thought we had hit the jackpot on it.” (R. 98.)

Further excerpts of Mr. Glaser's testimony are as follows:

“No, it is the over-all design, the picture of that case, the look of that case. It is something that has never been produced in this business before. I have never seen it in the cigar business.” (R. 117.)

* * * * *

“ . . . Look, that is what a cigar case used to be. This is what a cigar case is. Look yourself, look at

the over-all picture of this case. This is a creation.”
(R. 119.)

Again, it should be pointed out that the enthusiasm of Mr. Glaser stems from the fact that he makes his livelihood by selling cigars and that plaintiffs’ showcase performs excellently in selling his cigars. His interest is not in the case itself but only in what it does.

The Trial Court says correctly that the test for the validity of a design patent is whether it was beyond the powers of an ordinary designer. The facts that plaintiffs’ showcase is new, that it “represented the acme in cigar display and distribution” to a recognized expert in the field, and that it was slavishly copied by defendants, all point unmistakably to the conclusion that plaintiffs’ design was beyond the powers of an ordinary designer when created.

The whole impression from the evidence is that the Trial Court was clearly mistaken in its conclusion that the design patent is invalid.

6. DEFENDANTS CLEARLY INFRINGE PLAINTIFFS’ PATENT.

No finding was made below as to whether plaintiffs’ design patent was infringed, since the Trial Court erroneously held the patent to be invalid. However, it is submitted that this Court can easily find infringement, since this requires only a comparison of the design patent drawings and the pictures of defendants’ showcase opposite to page 22 of this brief.

The test of infringement is set out in *Gold Seal Importers v. Morris White Fashions*, 124 F.2d 141 (CCA-2, 1941) as follows:

“ . . . The test of infringement is whether the two designs have substantially the same effect upon the eye of an ordinary observer who gives the matter such attention as purchasers usually give. *Gorham Mfg. Co. v. White*, 14 Wall. 511, 81 U.S. 511, 528, 20 L.Ed. 731; *American Fabrics Co. v. Richmond Lace Works*, 2 Cir., 24 F.2d 365, 367. . . .”

Applying the law to the facts of this case, it is obvious that defendants' slavishly copied showcase has substantially the same effect on the eye as does plaintiffs' design and that defendants have taken the heart and essence of the patent for their own.

Defendants clearly infringe plaintiffs' patent rights.

VII

CONCLUSION.

In the present suit, plaintiffs' showcase incorporates the same mechanical features as do other prior art showcases. However, it must be borne in mind that it is the design of plaintiffs' showcase that is patented, not the mechanism dressed in the design. The design of plaintiffs' showcase is unique and is not shown by the prior art.

The evidence at the trial clearly established the commercial success of plaintiffs' showcase in its ability to sell cigars and established that this ability was due principally to the particular design of the case.

The evidence further showed that many competitors copied the patented showcase and then acquiesced in the patent.

Defendants obviously copied the design of the patent, copying plaintiffs' commercial embodiment of the patent to a fraction of an inch.

The testimony of a recognized expert in the field of cigar display showcases clearly indicates that plaintiffs' design is unique and beyond the ability of ordinary designers.

In view of all of these factors, it is apparent that the Trial Court's holding of invalidity of the design patent is clearly erroneous.

Therefore, it is submitted that this Court should reverse the holding below and hold the design patent No. Des. 168,288 to be valid. In addition, this Court should hold that defendants' sale and use of their showcases constitutes an infringement of this design patent.

Dated, San Francisco, California,
November 16, 1959.

Respectfully submitted,

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Attorneys for Appellants.

(Appendix Follows.)



Appendix.



Appendix

APPELLANTS' EXHIBITS

Exhibit Number	Identified	Offered	Received	Rejected
1	52	52	52	
2	52	52	52	
3	54	54	54	
4	54	54	54	
5	54	55	55	
6	58-59	59	59	
7	60-61	61	61	
8	62	62	62	
9	63	63	63	
10	64	64	64	
11	68	68	68	
12	70	70	71	
13	71	71	71	
14	71	71	71	
15	92-93	93	93	
16	97	98	98	
17	99-100	100	100	

APPELLEES' EXHIBITS

Exhibit Number	Identified	Offered	Received	Rejected
A	78	154	154	
B	80	126	126	
C	83	126	126	
D	132	131	132	
E	132	131	132	
F	132	131	132	
G	132	131	132	
H	143	145	145	
I	151	153	153	
J	151-152	153	153	
K	153	154	154	
L	153	154	154	
M	153	154	154	
N	173	185	185	
O	173	185	185	
P	173	185	185	
Q	173	185	185	
R	174	185	185	
S	174	185	185	
T	186	186	186	

